

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Products Price Changes
Rates of General Applicability

Docket No. CP2022-22

CHAIRMAN'S INFORMATION REQUEST NO. 4

(Issued December 7, 2021)

To clarify the United States Postal Service Notice of Changes in Rates of General Applicability for Competitive Products, filed November 10, 2021,¹ the Postal Service is requested to provide written responses to the following questions. The responses are due no later than December 14, 2021.

1. Please consider the following hypothetical situation. A mailer drops off a USPS Connect Local package on a Saturday and would like the package to arrive at its destination on Sunday.
 - a. Please confirm that the mailer will have the option to not pay the Sunday Delivery Fee and still have the package arrive at its destination on Sunday. If not confirmed, please explain.
 - b. Please confirm that if the mailer pays the Sunday Delivery Fee, the Postal Service is not guaranteeing delivery on Sunday for USPS Connect Local. If not confirmed, please explain what obligation(s) the Postal Service will need to fulfill in the event of not delivering a package on Sunday when the Sunday Delivery Fee was paid.

¹ USPS Notice of Changes in Rates of General Applicability for Competitive Products, November 10, 2021 (Notice).

2. The Governors' Decision No. 21-6 attached to the Notice states that "Commercial Base prices will, on average, reflect a 13.1 percent discount off of Retail prices." Notice, Governors' Decision No. 21-6 at 2. Please identify the cell(s) in the Excel spreadsheet titled, "PME Calc.xlsx" that demonstrate the calculation of the 13.1 percent discount or provide the calculation.
3. The Governors' Decision No. 21-6 attached to the Notice states that "Commercial Base prices will, on average, reflect a 17.9 percent discount off of Retail Prices." Notice, Governors' Decision No. 21-6 at 3. Please identify the cell(s) in the Excel spreadsheet titled, "PM Calc.xlsx" that demonstrate the calculation of the 17.9 percent discount or provide the calculation.
4. The Governors' Decision No. 21-6 attached to the Notice states that "[f]or January, Commercial Plus prices as a whole will receive a 1.2 percent increase and will average 18.6 percent off Retail prices." Notice, Governors' Decision No. 21-6 at 3. Please refer to Excel spreadsheet titled, "PM Calc.xlsx," tab, "Total," cell C5.
 - a. Please identify the cell(s) in the Excel spreadsheet titled, "PM Calc.xlsx" that demonstrate the calculation for the 18.6 percent discount or provide the calculation.
 - b. Please provide the calculation that supports the average price increase for overall Commercial Plus prices as a whole.
 - c. Please explain why the average price increase for overall Commercial Plus will be more than its average revenue increase presented in cell C5.
5. The Governors' Decision No. 21-6 attached to the Notice states that "[o]n average, Parcel Select prices as a whole will increase 5.5 percent." Notice, Governors' Decision No. 21-6 at 3. Please refer to Excel spreadsheet titled, "PS Summary Calc.xlsx," tab, "Summary," cell H11.

- a. Please provide the calculations that support the average price increase for overall Parcel Select.
 - b. Please explain why the average price increase for overall Parcel Select will be less than its average revenue increase presented in cell H11.
6. The Governors' Decision No. 21-6 attached to the Notice states that "[o]verall [First-Class Package Service (FCPS)] prices will increase 7.6 percent on average, with a 8.4 percent increase for FCPS-Retail and a 7.4 percent increase for FCPS-Commercial." Notice, Governors' Decision No. 21-6 at 4. Please refer to Excel spreadsheet titled, "FCPS Calc.xlsx," tab, "2022 FCPS Summary," cells E7:E9.
 - a. Please provide the calculations that support the average price increase for overall FCPS, FCPS-Retail, and FCPS-Commercial.
 - b. Please explain why the average price increase for overall FCPS, FCPS-Retail, and FCPS-Commercial will be less than their respective average revenue increase presented in cells E7:E9.
7. Please specify whether the Postal Service performed any operational testing of USPS Connect Local.
 - a. If an operational test was performed, please describe the nature, scope, duration, and results obtained from such operational test. Please include in the description a list of ZIP Codes included in the operational test and identify the postage paid by mailers for USPS Connect Local during the test.
 - b. If an operational test was not performed, please confirm that the Postal Service intends to conduct an operational test for USPS Connect Local in the future.

8. The Notice states that “[for] USPS Retail Ground, prices for Zones 1-4 will be differentiated from Priority Mail, and customers shipping in those zones will no longer default to Priority Mail.” Notice at 3. Please explain the basis for the decision to differentiate USPS Retail Ground prices for Zones 1-4 from Priority Mail.

By the Vice Chairwoman.

Ashley E. Poling